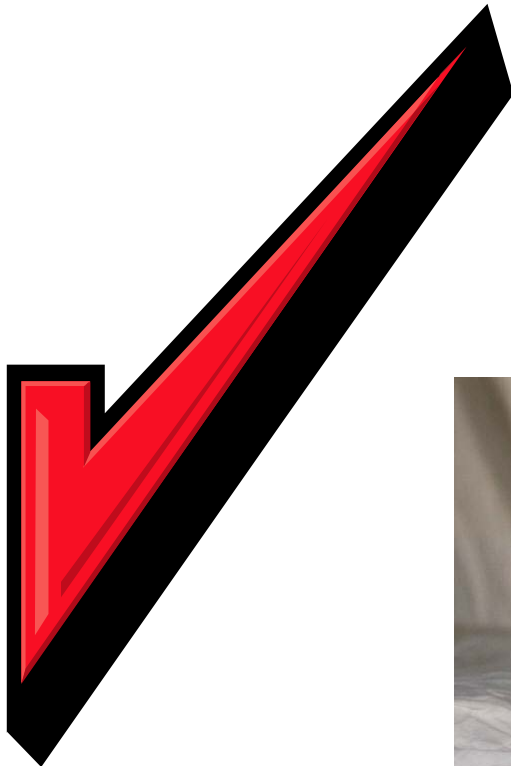


Citizen's Guide to Children's Issues

Why Kids Need You to Vote



Why Children's Issues?

It's all about family values – and valuing families.

A society that values its families also values its children. In our society, there has been a lot of talk about “family values,” but, even during the current election season, there’s been very little talk about children. We believe in valuing all types of families by encouraging parent involvement. One way to value families and children is to make sure every child can see a doctor. Another is to make high quality childcare affordable so parents can work and children get the preparation they need to start school.

Families are valued when parents earn a decent wage for their full-time work – a wage that allows them to support their families with dignity. Families are valued when parents can take time off of work to care for a sick child without the fear of losing wages or losing their jobs. Families are valued when the cycle of poverty-to-prison is broken instead of supported.

We can tell if families and children are a high priority by looking at how a government collects and spends its peoples’ money. Unfortunately, when looking at the public policies of the last four decades, it’s clear that

American children have become a lower a priority while the wealthy and powerful few have become a bigger priority.

Too many of our public policies have actually hurt American families. Policies such as trade agreements that ship good American jobs overseas. Tax policies that allow profitable corporations to skip out on paying their fair share. Spending policies that shrink programs that serve our most vulnerable population – our children.

According to a recent analysis by the California Budget Project, California’s expenditures as a percentage of personal income ranked 22nd among we’re high among the states. In property and sales taxes we’re low. The same goes for spending. California’s tax burden – total

state and local taxes as a percentage of personal income – is just slightly higher than the U.S. average and ranks 17th among the states.



Children can’t vote, so we must vote on their behalf. Then we must hold our elected officials accountable for doing what’s best for kids.

Every Child Left Further Behind

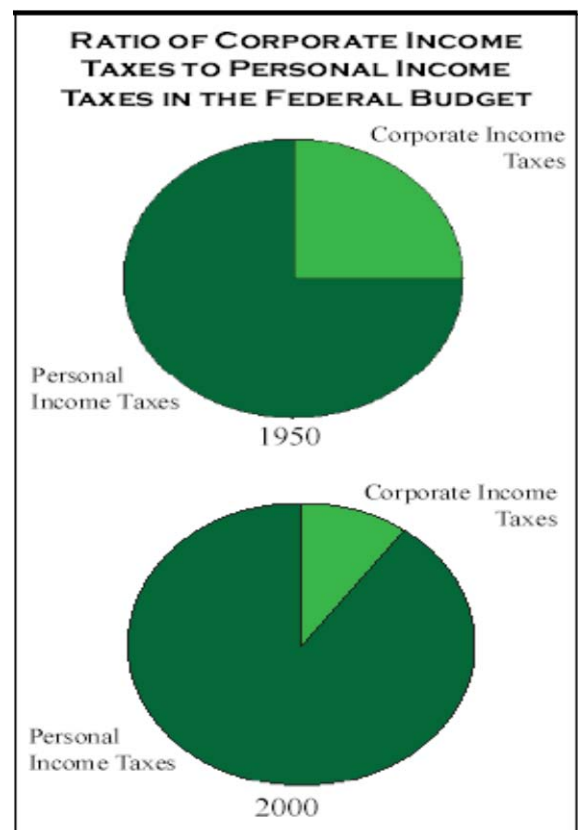
Our children are our future, but we're investing fewer resources in them and their future success.

Almost every year since the 1960s the share of federal spending on children's programs has become a smaller and smaller slice of the budget pie.¹ This includes programs like education, nutrition, and health care – all of them essential if our children are to grow up healthy and reach their potential.

Meanwhile, spending over that same timeframe on programs for our seniors – namely Social Security and Medicare – has more than doubled to become an even larger share of the federal pie.

While it's important to take care of our elders, we cannot do it at the expense of our children if we are to have a bright future.

Meanwhile, the federal budget has relied less on income taxes from American corporations, and more on income taxes from American families. In the 1950s, corporate income tax brought in about one out of every four dollars of federal tax revenues. By 2000, however, it had fallen to just one out of every ten tax dollars.² In fact, the government recently reported that nearly two-thirds of U.S. corporations avoid paying any federal income taxes, even though they have trillions in sales.³



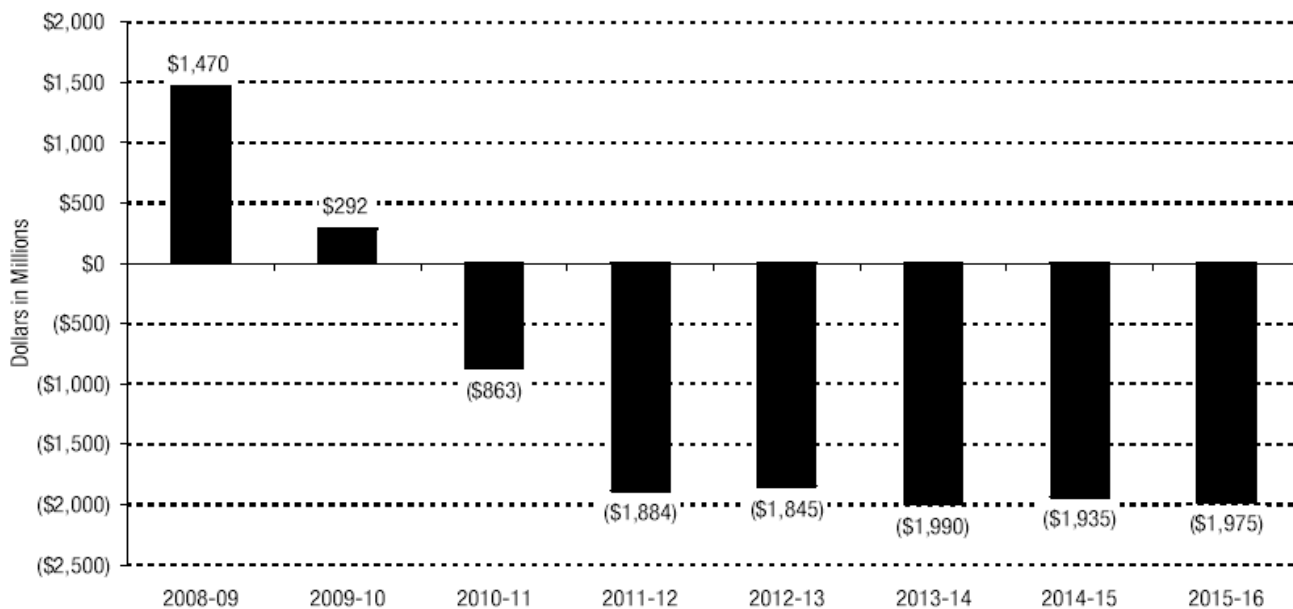
In light of the magnitude of California's fiscal problems, one might expect that there would be no "winners." In fact, both

the September 2008 and February 2009 budget agreements created some very big winners – a very small number of corporations that will receive tens of millions of dollars per year in tax breaks as a result of changes made to California’s corporate tax laws.

Nine corporations will receive tax cuts averaging \$33.1 million each in 2013-14 due to the adoption of elective single sales factor apportionment.²

- Eighty percent of the benefits of single sales factor apportionment will go to the 0.1 percent of California corporations with gross incomes over \$1 billion.
- Six corporations will receive tax cuts averaging \$23.5 million each in 2013-14 from the adoption of credit sharing.
- Eighty-seven percent of the benefits from credit sharing will go to the 0.03 percent of California corporations with gross incomes over \$1 billion.

2008 and 2009 Tax Cuts Will Cost \$2 Billion Per Year at Full Impact
Losses Will Continue Permanently



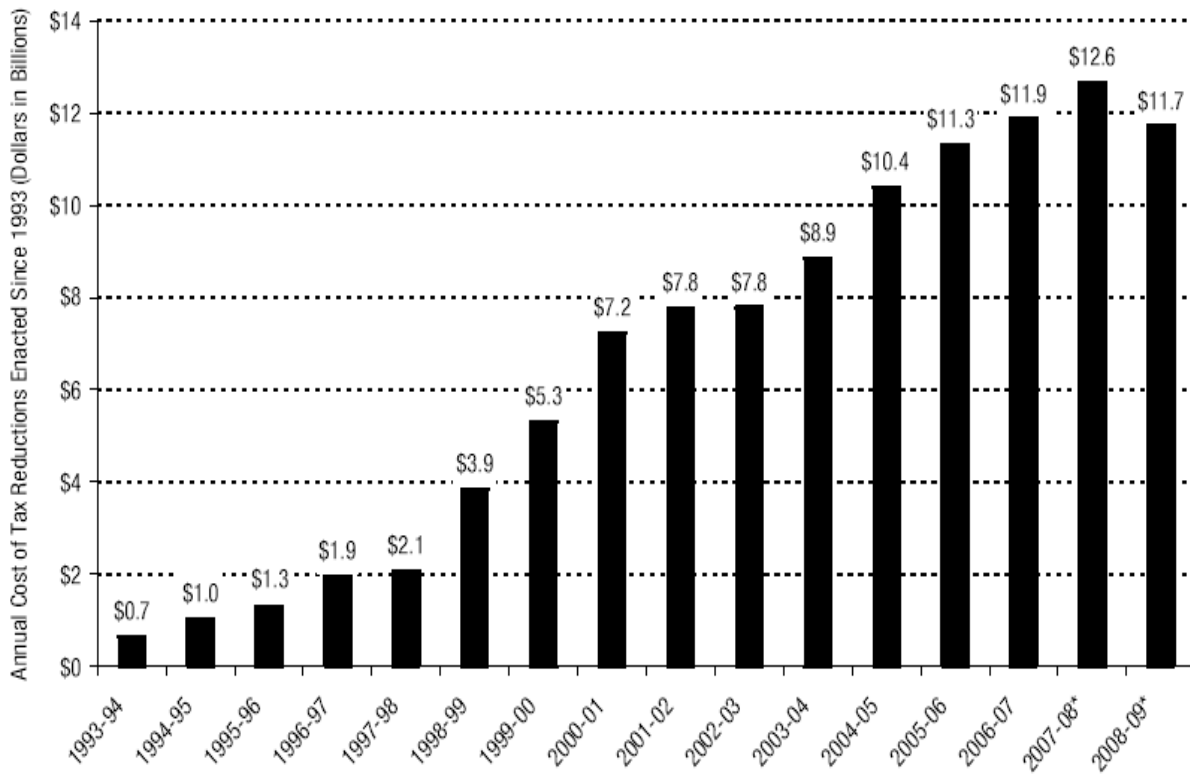
Net Cost of Tax Cuts in the September 2008 and February 2009 Budget Agreements

Note: Includes temporary business tax cuts enacted in February 2009.

Source: Franchise Tax Board

Tax Cuts Enacted Since 1993 Cost an Estimated \$11.7 Billion in 2008-09

2008-09 Drop Reflects Suspension of Net Operating Loss Deductions



California Is the Only State To Require a Supermajority Vote To Pass Both a Budget and Any State Tax Increase



Note: Arkansas, Florida, and Michigan require a supermajority vote for certain taxes.
Source: National Conference of State Legislatures

New Data Show California Income Gaps Continue To Widen

New data released in June 2009 from the Franchise Tax Board show that California's income gaps continue to widen as the share of adjusted gross income (AGI) going to the wealthiest personal income taxpayers rises and the share going to middle-income taxpayers falls.¹ The latest data, which predate the current recession, show that the gap between the wealthiest 1 percent of taxpayers and those with incomes in the middle of the distribution increased between 2006 and 2007, reflecting a longer-

term pattern of widening inequality. The new data also provide further evidence that the economic expansion of this decade failed to benefit most Californians. While economic growth helped to more than triple total corporate profits between 2000 and 2007, total AGI rose only modestly, and the increase in AGI was concentrated among the wealthiest California taxpayers. Three-Quarters of Adjusted Gross Income Gains Went to the Wealthiest Fifth of Taxpayers, 2006 to 2007.



Social Insecurity

Everyone should be responsible for paying their own debt. Not only are we spending a smaller

share of the federal budget on our children, we're also leaving our kids the biggest debt ever. The federal debt for the current fiscal year alone is estimated at \$482 billion.⁴ That's how much money we had to borrow for just one year. In 2007, we spent \$237 billion, or about 9 percent of the total budget, on interest payments alone.

So where did we spend all this borrowed money? Certainly not on education – which makes up just 2 percent of the federal budget.⁵ And that's *all* education – from preschool to graduate school. As our investments in children fall, so do our kids' test scores and high school graduation rates. This makes our country less and less competitive in the global market.

Children are a much bigger priority in most state government budgets. In California we spend about 40 percent of the General Fund budget on K-12 education. That's good, but we spend less than 4 percent on health care for children.

The Racial Divide

Every child deserves an equal start in life. But minority children are more

likely than white kids to begin life at a disadvantage. That's because they start out with inequities that are the result of generations of discriminatory practices and policies. When children start out with such disadvantages, they are far less likely to reach their potential.

Sadly, racial disparities are reinforced by the very agencies that serve children. Youth of color are over-represented in juvenile justice and child welfare agencies across the country. Minority children are more likely than white children to be placed in foster care even when they come from similar situations. Likewise, young minorities are more often arrested and denied bond, and receive longer sentences and fewer suspended sentences than white youth who commit the same crimes.⁶

Federal spending on children's programs fell from 20 percent to 15 percent between 1960 and 2005.

Which Children's Issues

Health Care

Children should be able to see a doctor no matter where their parents work.

But in our current system, health insurance is considered an employee “benefit.” What we have now are two classes of workers: those who can get health care and those who can’t.

Out of all the world’s richest countries, the United States is the only one that does not provide routine, preventive health care for every child. More than 8 million American children do not have health insurance.⁷ And the problem is only growing. Every 41 seconds, a baby is born in America without health insurance.⁸



Over 6.6% of CA residents have no health coverage; that is a total of 20.8% of the total California population. Of all 50 states, California has the **largest** highest percentage of children without insurance. Ninety percent of these kids live in working families.¹⁰

Healthy Families

Spotlight on Medicaid



Both state and federal governments do spend money on children’s health care. If a child lives in a very low-income household, they may qualify for Medicaid, which also covers low-income seniors and adults with disabilities. Medicaid patients see the same doctors that treat the people with health insurance. One big difference is that Medicaid is much more cost-effective and efficient than private insurance. For every dollar we spend on private health insurance almost one third is eaten up by bureaucracy and paperwork.¹¹ In comparison, only 3 percent of every Medicaid dollar is spent on administration.¹²

Medicaid delivers good medicine in more ways than one. It injects a lot of federal money into California’s economy, which creates jobs. Medicaid is crucial for the well-being of our state’s health-care infrastructure – particularly in our rural areas. This means it helps keep costs down for everyone. **Only Louisiana and Georgia Spend Less Per Medicaid Recipient Than California**



We all know that even excellent software will not run without the proper hardware. When kids haven't had the opportunity for good early brain development, they are not ready to begin school. Their chances for success are much lower.

Although we can improve our computers by adding more memory, we cannot do the same for our children. The window of opportunity for this critical early development closes after age three. During the first three years, children must get individual attention and stimulus in a safe and nurturing environment.

But fewer children are getting the high-quality attention they once got at home. Our economy has changed, and so have our families. Now, fewer and fewer families can get by on one paycheck, so more and more children are being cared for outside of the home. Even though our need for quality childcare and early education programs has grown, little has been done to address the need on a national scale.

Even though most of the brain development occurs within the first three years of life, the vast majority of our public investment in education doesn't

Our modern economy is also based more and more on jobs that require at least some college education, but our high school graduation rates are falling.¹³

Even those kids who do graduate from high school don't have many of the skills they need to succeed in today's workforce. Employers say that high school graduates lack basic math, grammar and spelling skills.¹⁴

As more Baby Boomers reach retirement age the demand for new employees will grow. More than ever, we need to prepare today's youth for tomorrow's jobs.

Education

Every child deserves a quality education and every school district should be equipped to supply it.

The founders of this nation knew that democracy could not exist unless the people were informed. But the value of public education goes way beyond that. Education acts as a social equalizer, making our society safer and more stable, and our economy richer.

While the way in which we educate our children has changed a great deal since this country began, other aspects of our educational system have not caught up with modern science.

Over the last several years, scientific research has shown that 80 percent of our brain's development happens before our third birthday. Think of this brain development as the building of a computer's hardware – the creation of actual circuits and pathways that will allow a computer to process information. Now think of our K-12 educational system as the software.

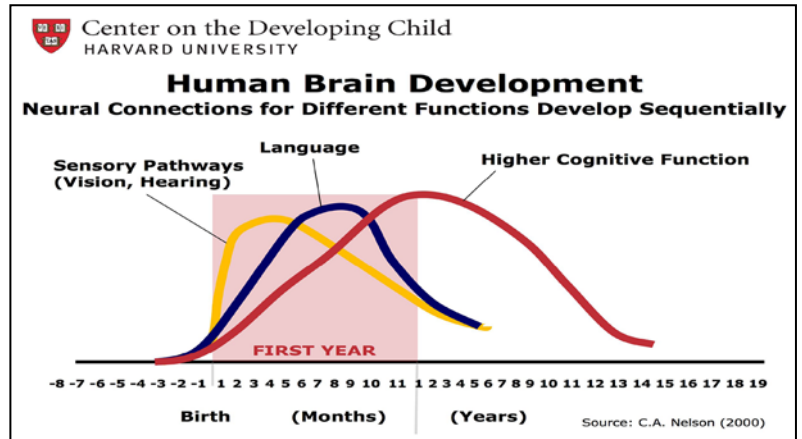
Spotlight on Early Education



Families must find a way to pay for child care at a time when they can least afford it – when they are just starting out. Full-time childcare costs as much as college tuition but it gets just a fraction of the state and federal funding. Quality child care and early education prepare our children for school and for life. Children who are not ready to start school are at a serious disadvantage – one that will likely follow them throughout the rest of their school years and beyond.

Many of the world’s richest countries are way ahead of us in making early care and education a public priority, and they make funding these programs as important as funding elementary school.

From economics to neuroscience, education to public policy, a vast body of research demonstrates that early education matters. Early childhood provides a window of opportunity to dramatically shape a child’s brain when it is rapidly developing. In early childhood, children develop the linguistic, cognitive, social and emotional building blocks for later development. By the time they enter kindergarten, children who attend preschool are already ahead in early reading and math skills. That educational boost continues through K-12 and into adulthood, researchers who have followed children for decades found. Economic analyses show high-quality preschool saves our schools and our state money, and provides long-term benefits to our children and communities.

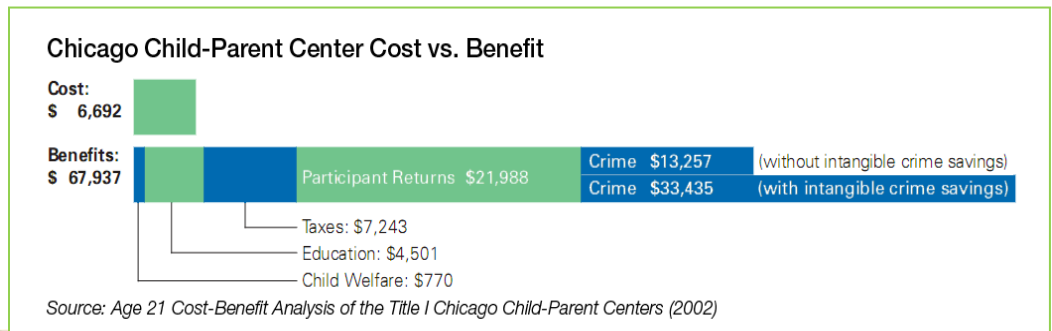


An Investment That Pays Off

- Early interventions for disadvantaged children are more economically efficient and produce higher returns than remedial programs to help teenagers and young adults catch up later on, according to James Heckman, Nobel Laureate in Economics.

justice and increased earnings for participants. The Chicago Child-Parent Centers generated \$7 in benefits for every dollar invested. The Perry Preschool Project shows a larger return on investment - \$16 per dollar spent - because researchers tracked participants for a longer period of time, allowing more benefits to accrue.

- Cost-benefit analyses of high-quality preschool show it generates \$7 to \$16 for every dollar spent, yielding significant dividends in the form of government savings on welfare, education and criminal



poverty has many causes that intersect to form a web. It will take a long-term commitment and public support to defeat child poverty, but we will all benefit.

Having immigrant parents is also associated with a greater likelihood of being poor.

Analyses by the National Center for Children in Poverty compared the relative proportions of children with immigrant and native-born parents who were in poverty in 2005. In all of the six states examined, poverty rates were higher for children with immigrant parents.

The percentage of poor children with immigrant parents is as follows: In California, 26% (compared to 14% among children with native born parents); in Florida; 20% (compared to 18%); in Illinois, 20% (compared to 17%); in New Jersey, 14% (compared to 8%); in New York, 25% (compared to 19%); and, in Texas, 40% (compared to 18%).

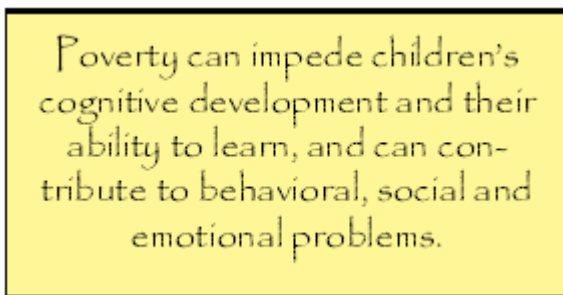
Food Prices Increased by 7.6 Percent Between September 2007 and September 2008

In addition to facing a declining economy, Californians face a sharp rise in food prices. Nationally, the price of food eaten at home increased by 7.6 percent between September 2007 and September 2008 – greater than the increase in prices overall (4.9 percent) and the highest year-over-year increase in food prices since February 1990. The prices of certain basic foods have increased by even more. Between September 2007 and September 2008, the price of cereals and bakery products jumped by 12.3 percent, the price of fruit and vegetables increased by 10.3 percent, and the price of meat, poultry, fish, and eggs rose by 5.9 percent. Food prices facing low-income households have increased to a greater extent than food prices overall. The cost of food in the US Department of Agriculture’s Thrifty Food Plan for a family of four with young children – a plan intended to provide adequate nutrition at a minimal cost – increased by more than 10 percent between September 2007 and September 2008.

Child Poverty

Child poverty affects everyone. It is estimated that child poverty costs the U.S. \$500 billion a year in lost worker productivity, and in spending on health care and the criminal justice system.¹⁵ Poverty is also the single most important factor in a child’s future well-being and success.

A household that is economically unstable – where families worry that their utilities will be shut off, they will be evicted, or there will not be any food on the table tomorrow – is a stressful household. When one car repair or serious illness can mean a family’s financial disaster, children do not have the safety of a structured and predictable environment. This kind of stress has a negative impact on brain development and can contribute to problems at school.¹⁷



Poverty can impede children's cognitive development and their ability to learn, and can contribute to behavioral, social and emotional problems.

Children who grow up in poverty are less likely to receive routine health care and the nutrition needed for healthy development, and are more likely to get an inferior education, be exposed to illegal drug use, gang activity, and the violence that goes with it, and have a parent in jail. Thirteen million American children live in poverty and at least 2 million have parents in prison.¹⁷

No single program will solve child poverty because



Besides the lack of a living wage, America still has a wage gap. Women and minorities earn less money.¹⁸ Women are also more likely than men to be single parents and to live in poverty.

Almost 80 percent of low-wage workers have no paid sick days.

Paid Sick Days and Family Leave

Working parents should not risk losing their job because they need to care for their sick child. But that’s the reality for too many Americans. Almost 80 percent of low-wage workers and about half of all full-time, private-sector workers have no paid sick days.¹⁹ For many of them, taking a sick day not only means losing wages, it may mean losing their job.

The U.S. also does not guarantee as much maternity and family leave as other wealthy nations do. We have no national policy to guarantees these basic work supports for all.

Work and Wages

No one who works full time should live in poverty. Yet, the majority of children in poverty have parents who work. Living wages and work supports, like paid sick days, are two important ways to address child poverty.

Work should lift you out of poverty – not keep you stuck in it.

A living wage is one that can support a family, but employers are not required to pay a living wage. Low-wage jobs are not just bad for the employees in them – they also do not benefit the economy as much as high-wage jobs. The more money workers make, the more they have to spend and invest – and the more evenly the responsibility for taxes is spread.



Spotlight on Income Tax Cuts

When income taxes are cut for the wealthy, it’s often seen as a way to stimulate the economy, because tax cuts can create new jobs. What is

less often said is that the same tax cuts could also mean

job cuts. This is because tax cuts are usually paid for by cuts in government services. So governments must lay off police officers, firefighters, school teachers, childcare providers, public health workers, road crews, and many other public employees who keep services and programs running in our cities, states and for the nation.



Spotlight on the EITC

The federal Earned Income Tax Credit (EITC) is the single most effective policy to lift low-income working families

bipartisan support, 23 states – including California – have enacted state-level EITCs that build on the success of the federal programs.

out of poverty, reducing poverty for young children by nearly 25 percent. The EITC has not only enjoyed long

Find Out More

These are just some of the issues we'd like you to consider before you go to the polls each election.

We'd also like you to consider them good reasons for going to the polls. Children can't vote, so they depend on us to.

There are many ways to find out the candidates' platforms children's issues. Check out their campaign websites, send them a letter or email, call their campaign office, or ask questions at candidate forums.

Register to Vote and Go to the Polls!



www.supportearlyed.org

Other Resources

- Analysis of presidential campaign ads (The Annenberg Political Fact Check): www.factcheck.org
- Election headlines and analysis (Pew Center on the States; click on electionline.org): www.pewcenteronthestates.org
- Congressional voting records (Project Vote Smart): www.votesmart.org
- Send an e-Card to congressional candidates about children's health care (Voices for America's Children): www.votekids08.org
- Voters' guides and election information (League of Women Voters of California): www.lwvca.org

Organizations that work on children's issues, health care and poverty:

- Annie E. Casey Foundation: www.aecf.org
- Children's Defense Fund: www.childrensdefense.org
- Every Child Matters Education Fund: www.everychildmatters.org
- First Focus: www.firstfocus.net
- Half in Ten: www.halfinten.org
- National Center for Children in Poverty: <http://nccp.org>
- Spotlight on Poverty and Opportunity: www.spotlightonpoverty.org
- Voices for America's Children: www.voices.org
- Preschool California www.preschoolcalifornia.org
- California Budget Project www.cbp.org
- Californians for the Support of Early Education www.supportearlyed.org

Endnotes

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<http://www.swwomenslaw.org/equalpay.htm>
- 21 National Partnership for Women and Families website, Washington, DC.
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